



Preferred Hotels is safe in family hands, but its CEO is not afraid to take chances on its future



Preferred Hotels & Resorts, née Preferred Hotels Association, has been around for half a century, but its last 14 years have been synonymous with one name: Ueberroth. It's a family name that carries clout: Peter Ueberroth was the commissioner of Major League Baseball from 1984 to 1989, while brother, John, found success in the travel business, holding a slew of leadership positions, from airlines to travel agencies, before settling into head of what is now Preferred Hotels & Resorts, an independent hotel brand that provides such services as sales, marketing, distribution and technology support. In 2014, Ueberroth transitioned to chairman, leaving open the role of CEO. In the Ueberroth family, it's next man up, or, in this case, next woman up.

That year, then Preferred Hotel Group's 10th year as a privately held company, Lindsey Ueberroth, John's daughter, assumed the role of CEO. Any cries of nepotism



are quickly dispelled on glance of her track record. When the hospitality profession piqued her curiosity (maybe it's in her DNA), she took an operations job with DoubleTree during college. After graduation, Ueberroth worked as a management consultant with Andersen Consulting and then went on to Ambassadors International (a company her father owned) before joining him, in 2004, at Preferred, where she has held various positions.

Now as CEO, she is the ultimate decision-maker, but attaining the role is a memory that even still weighs on her emotionally. "When my dad entrusted me with the role, it's one of those things, the feeling of filling the shoes of someone who has been your mentor—I get emotional just thinking about it," she said, her voice atremble. "What he was crystal clear about was 'I'm entrusting you with this, but I will always be here to guide you.'" Above all, he was adamant that he was not there to look over her shoulder or interfere. "You need to make the decisions you want," he told her.

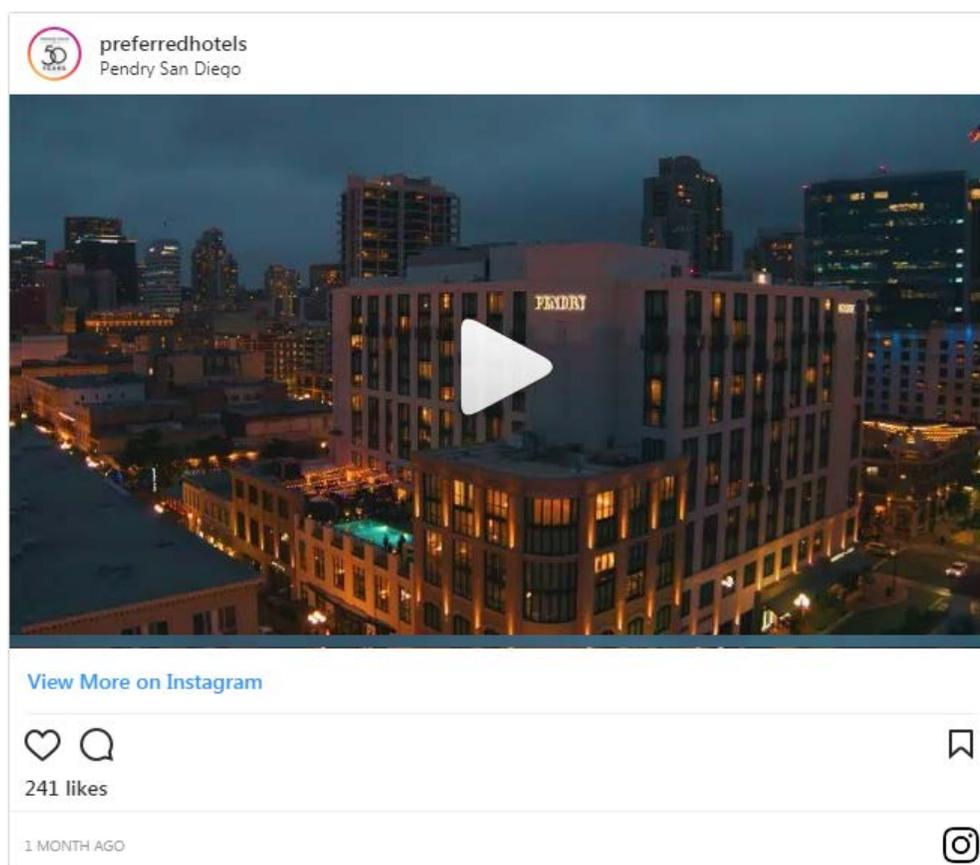
And that's what she did. A year after becoming CEO, Preferred Hotel Group went through a top-to-bottom rebranding. The name of the company was changed to Preferred Hotels & Resorts and the some 650 independent hotels at the time were bucketed into five separate collections: Legend, LVX, Lifestyle, Connect and Preferred Residences. The idea behind it was to allow customers to book travel based on experience, rather than just product. "Before, it was just, 'Let's go to Hawaii.' Now, it's what kind of experience do I want? Then let's find the right destination and hotel that caters to that," Ueberroth said.

The reconstruction was meant to be more consumer-facing, which is tough since the Preferred name plays in the background and is not part of each hotel's name, dissimilar to, for instance, Marriott International's Autograph or Hilton's Curio collections. "We don't put our name on the building," Ueberroth said. "But we were putting a face to the brand to help connect the portfolio."

Lindsey Ueberroth took over as CEO at an inflection point for the independent hotel space. Namely, the rise of the soft brand—mega hotel chains launching affiliation programs for independent hotels to take advantage of their reservations reach. Starwood's Luxury Collection reaches back to 1992, but it's been a recent push from the likes of Marriott, Hilton and Hyatt Hotels Corporation that have encroached on Preferred's business model. Ueberroth doesn't see it as a threat as much as a case of imitation being the sincerest form of flattery. "It has changed the landscape," she admitted, but positively. "It shows that consumers like this kind of product. It's been helpful to have a 50-year head start."

Still, there are differences between Preferred and its now more-crowded competition. For one, Preferred is rigid with its hotel partner standards; competing soft brands are more lax. Ueberroth said that Preferred has lost only a handful of hotels to the chain soft brands, a function not of quality of service but more on account of the considerable loyalty programs that the global hotel companies provide. However, this can backfire

when a guestroom is filled by a loyalty member burning points rather than a full-paying customer.



Preferred is celebrating 50 years as a company this year, something Ueberroth referred to as “epic.” And in the years the Ueberroth family has steered Preferred, the company has seen year-over-year growth. When father John was CEO, his task was stabilizing a company that was still trying to find its footing. Lindsey’s concentration is about escalation, with a clear focus on leveraging technology and media to bolster the face of the Preferred brand, growing its hotel consulting business and filling in any holes in the portfolio—“We need a hotel in Berlin,” she said, for example.

Preferred’s biggest strength is that it is family owned and operated. And as a privately held company, decisions can be made and implemented swifter than if it was not. The Ueberroth name is “synonymous with travel and hospitality and our family is committed to it,” Lindsey Ueberroth said. (Her brother, Casey, is Preferred’s former chief marketing officer and now is a member of the board of directors, while Lindsey’s mother, Gail, is vice chairman and chief creative officer.) “It’s our family name, not just a company name.”